

House Bill 1517

By: Representative Knox of the 24th

A BILL TO BE ENTITLED

AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to promote the general fitness of the accident and sickness insurance market in this state; to authorize the Commissioner of Insurance to reduce, limit, modify, or exempt certain regulatory filing requirements; to provide for the determination by the Commissioner that the insurance market in this state is not functioning in a competitive manner; to provide for certain notice; to provide for certain filings regarding accident and sickness insurance following such notice; to require the Commissioner to approve certain filings and rate increases; to provide for applicability; to provide for rules and regulations concerning such filings; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by striking subsection (f) of Code Section 33-9-21, relating to maintenance and filing rates, rating plans, rating systems, or underwriting rules, and inserting in lieu thereof a new subsection (f) to read as follows:

~~“(f) Notwithstanding the provisions of subsection (d) of this Code section, in the event the filing of any rate, rating plan, rating system, or underwriting rule under subsection (d) of this Code section is not necessary, in the judgment of the Commissioner, to accomplish the purposes of this chapter as set forth in Code Section 33-9-1, then the Commissioner may exempt all domestic, foreign, and alien insurers from being required to file such rate, rating plan, rating system, or underwriting rule~~ To promote competition among insurers, reduce barriers to product availability, and reduce costs of insurance products attendant with highly regulated filing requirements while maintaining consumer protection and rates that are not unreasonable, inequitable, or unfair, the Commissioner may, by published order,

directive, or bulletin, as in his or her discretion is appropriate, by line of business within this chapter:

(1) Exempt one or more of the filing requirements of this chapter;

(2) Limit the practical application of the filing requirements of this chapter; or

(3) Modify one or more filing or documentation requirements of this chapter

for so long as he or she deems proper, including documents, forms, supporting papers, exhibits, or other materials that, in the Commissioner's discretion, are not necessary or appropriate for the protection of the public."

SECTION 2.

Said title is further amended by designating the existing matter in Chapter 29, relating to individual accident and sickness insurance, as Article 1 and inserting thereafter a new Article 2 to read as follows:

"ARTICLE 2

33-29-40.

(a) The Commissioner has a duty to promote the general fitness of the accident and sickness insurance market. If the market for individual accident and sickness insurance in the State of Georgia is such that the combined market share of the total accident and sickness premium written in Georgia for any immediately preceding calendar year by the four largest insurers sums to 75 percent or more of the market, the Commissioner is thereby authorized, until such time as the combined market share of the total accident and sickness premium written in Georgia for any immediately preceding calendar year by the four largest insurers sums to less than 75 percent of the market, to make a determination that the market is not functioning in an efficient, competitive manner. If the Commissioner makes a determination that the market is not functioning in a competitive manner, he or she shall notify all insurers operating in the individual health insurance market in the state of the requirements of this article relating to the filing and review of individual accident and sickness premium rates for certain lines of business.

(b) Upon the Commissioner making a determination that the market is not functioning in a competitive manner and giving the notice as provided in subsection (a) of this Code section, every initial filing of an individual, guaranteed renewable comprehensive accident and sickness policy by insurers authorized to transact individual accident and sickness insurance under any chapter of this title shall be accompanied by a rate filing, with supporting actuarial certification and demonstration by a qualified actuary. Any subsequent

1 addition to or change in rates applicable to the policy, rider, or endorsement shall also be
2 required to be filed with the Commissioner for prior approval of any increase in premium
3 rate. As used in this Code section, the term 'comprehensive' means coverage that qualifies
4 as creditable coverage under the federal Health Insurance Portability and Accountability
5 Act of 1996, P.L. 104-191, because it is not of limited benefit or limited duration, is not for
6 specified disease, is not for long-term care, and is not a medicare supplement.

7 (c) The provisions of this Code section are not intended and shall not be construed to
8 operate to change any other existing law or related rule or regulation of the department
9 affecting specific types of coverage described elsewhere in this title, including, but not
10 necessarily limited to, health maintenance organization coverage under Chapter 21 of this
11 title, long-term care coverage under Chapter 42 of this title, medicare supplement coverage
12 under Chapter 43 of this title, credit accident and sickness coverage under Chapter 31 of
13 this title, and enhanced conversion under Code Section 33-24-21.1.

14 33-29-41.

15 After providing the required notice and public hearing under Chapter 2 of this title, the
16 Commissioner is authorized to promulgate and administer rules and regulations to
17 implement the provisions of this article. Such rules and regulations shall:

- 18 (1) Establish clear standards and relevant applicability among specific individual
19 accident and sickness product lines;
20 (2) Establish practical filing guidelines and required formats for insurers to submit filings
21 of proposed initial and renewal premium rates in compliance with this article; and
22 (3) Establish limits, as appropriate in the opinion of the Commissioner after public
23 hearing, on the maximum year-to-year percentage increase in premiums which may be
24 imposed on Georgia individual accident and sickness policyholders for applicable product
25 lines."

26 SECTION 3.

27 All laws and parts of laws in conflict with this Act are repealed.